

1 Q Do you know when he went?

2 A No.

3 Q Given that the application was filed on
4 June 30, 1994, do you know if it was before or after
5 that date?

6 A I don't remember.

7 Q Can you tell me what you know about the
8 programming of WTVE in Reading, Pennsylvania?

9 A Then or now?

10 Q Both.

11 A Then it was Home Shopping Network with
12 very little -- with no local programming. And today
13 it's Telemundo Spanish broadcasting.

14 Q How do you know that the station had no
15 local programming?

16 A That's what I was told.

17 Q By whom?

18 A Mr. Gilbert.

19 Q And when did he tell you that?

20 A I don't know. I don't remember. I
21 remember he did.

22 Q Do you know if it was before the

1 application was filed?

2 A I don't remember.

3 Q Do you know if Mr. Gilbert analyzed the
4 programming of any other stations in that television
5 market?

6 A I don't remember.

7 Q Do you know which television market
8 Reading, Pennsylvania is in?

9 A It's Reading, Pennsylvania.

10 Q So it's in the Reading, Pennsylvania
11 market?

12 A Yes. It's a Reading station.

13 Q And can you tell me what research you or
14 anyone else from Adams Communications did with
15 respect to the market prior to filing the
16 application?

17 A I didn't do any research and I don't know
18 whether anyone else did.

19 Q Did Adams Communications have a business
20 plan prior to filing the application?

21 A What do you mean a business plan?

22 Q Well, a plan with respect to how the

1 business would be operated if the Adams application
2 were successful?

3 A We must have discussed it, but I really
4 don't remember.

5 Q Do you know if there was anything in
6 writing?

7 A Not to my knowledge.

8 Q Did you have any knowledge at that time
9 as to whether or not the existing station in
10 Reading, Pennsylvania had been financially
11 successful?

12 A I had no knowledge of that.

13 Q Did you know that they had been in
14 bankruptcy previously?

15 A I don't remember that.

16 Q Do you recall any discussions prior to
17 the time the application was filed with respect to
18 how large a staff the station might have if you were
19 successful?

20 A I don't remember any discussions of that.

21 Q Do you recall any discussions as to how
22 the station would be programmed if your application

1 were granted?

2 A I don't remember any.

3 Q Was it your understanding that any of the
4 Adams Communications stockholders would move to
5 Reading and work at the station if the application
6 were successful?

7 A I don't remember any conversation like
8 that.

9 Q So that was not your understanding?

10 A I don't know if it was or wasn't. I just
11 don't remember.

12 Q Well, what is your present understanding
13 on that issue?

14 A Present understanding?

15 Q Yes.

16 A Right now it's sort of silly to talk
17 about it until we find out what happens to the
18 station.

19 Q And do any of the principals of Adams
20 Communications have broadcast experience?

21 A What do you mean by broadcast experience?

22 Q Experience in the operation of a

1 television station or management of a television
2 station?

3 A Well, we were all directors of a chain of
4 radio stations, but direct operation, no.

5 Q Prior to the time the application was
6 filed, were you involved in any discussions as to
7 what sort of equipment the station would need if the
8 Adams application were granted?

9 A I don't remember anything like that.

10 Q Was there any discussion of the need or a
11 plan to operate the station in a digital television
12 mode?

13 A I doubt if I even knew what digital was
14 in those days.

15 Q Did you play any role in selecting a
16 tower site for the proposed station?

17 A No.

18 Q Did you play any role in obtaining a
19 financing commitment for the proposed station?

20 A No.

21 (Haag Deposition Exhibit Number 2 was
22 marked for identification.)

1 BY MR. HUTTON:

2 Q Mr. Haag, is that your signature?

3 A Yes.

4 Q Do you recall signing this letter?

5 A No. But it is my signature so I must

6 have signed it.

7 Q And did you have any telephone

8 discussions with Mr. Lubas before signing the

9 letter?

10 A I don't remember any.

11 Q Did you have any face-to-face meetings

12 with Mr. Lubas?

13 A No.

14 Q Do you recall any discussions with any

15 other representative of Conestoga Telephone and

16 Telegraph Company and yourself?

17 A No.

18 Q And do you recall any discussions with

19 any other representative of any other tower site or

20 potential tower site and yourself?

21 A No.

22 Q And Exhibit 2 says, Re: Letter of

1 Intent - Gibraltar Hill Property. Do you know where
2 the Gibraltar Hill Company is?

3 A I assume it's in Reading, Pennsylvania.

4 Q And this letter which has been redacted,
5 was that the letter of intent for the property or
6 was there other correspondence?

7 A I don't remember.

8 Q And does Adams Communications have a
9 lease for the tower site or does it have a letter of
10 intent to enter into a lease or a purchase?

11 A I don't know.

12 Q Do you know if Adams Communications has
13 any agreement for the use of a tower site?

14 A I don't know.

15 (Haag Deposition Exhibit Number 3 was
16 marked for identification.)

17 BY MR. HUTTON:

18 Q Mr. Haag, do you recall this letter?
19 It's been redacted. But do you recall receiving a
20 letter from Mr. Watts?

21 A I don't remember receiving it.

22 Q Do you recall having any discussions with

1 any representative of American National Bank with
2 respect to a potential loan to Adams Communications?

3 A No.

4 Q Do you know if any other representative
5 of Adams Communications had any such discussions
6 with any representative of the bank?

7 A I'm sure Howie Gilbert did.

8 Q And what did he tell you about those
9 discussions?

10 A I don't remember.

11 Q Do you know if the bank turned you down
12 or offered to loan money?

13 A I'm sure they wouldn't turn us down.

14 Q Why not?

15 A We have a good reputation with that bank.
16 They've loaned me money in the past.

17 Q Do you know who Mr. Watts is?

18 A No. I'm friendly with the president of
19 the bank, though. He must work for the president.

20 Q Do you recall having any discussions with
21 the president of the bank about Adams
22 Communications?

1 A No.

2 Q Do you know whether the bank has offered
3 a loan commitment to Adams Communications, one that
4 the bank could be sued on or is it just an
5 expression of interest in making a loan?

6 A I don't know, but I'm sure that if we
7 asked for a loan that they would make it, you know,
8 within certain parameters.

9 Q What do you mean within certain
10 parameters?

11 A I think we could borrow without any
12 trouble anything up to 30 or 40 million.

13 Q And how much would you expect to borrow?

14 A I don't know.

15 Q Have you participated in any discussions
16 with any party concerning a potential settlement of
17 the Adams Communications proceeding?

18 A No.

19 Q Have you had any discussions with any
20 other principal of Adams Communications about
21 settling the case?

22 A No.

1 Q Have you had any discussions with any
2 representative of Telemundo in connection with the
3 Adams Communications application?

4 A I haven't.

5 Q Have you had any discussions with any
6 party about a potential sale of the construction
7 permit if the Adams Communications application were
8 granted?

9 A No.

10 Q Have you had any discussions with any
11 party about selling any interest in the company?

12 A No.

13 Q Are you a trustee of any school or
14 nonprofit organization?

15 A What do you mean by trustee? A director?

16 Q Yes.

17 A I'm a director of the American Israel
18 Chamber of Commerce.

19 Q I'd like to ask you about any other
20 potential media interests. And I'm going to exclude
21 anything less than 1 percent in a publicly traded
22 company.

1 A I have no other media interests at this
2 time.

3 Q And does that include radio or television
4 broadcast of any type?

5 A Yes.

6 Q Cable television?

7 A Yes.

8 Q Satellite? Publications?

9 A Yes. I don't even own a satellite.

10 (Haag Deposition Exhibit Number 4 was
11 marked for identification.)

12 BY MR. HUTTON:

13 Q Mr. Haag, this is a copy of the
14 application filed with the FCC on June 30, 1994 by
15 Adams Communications.

16 Are you familiar with that application?

17 A No.

18 Q Do you have a copy of it in your files?

19 A I don't remember.

20 Q You don't remember receiving a copy after
21 it was filed?

22 A I don't remember.

1 Q Were you involved in the drafting of the
2 application?

3 A No.

4 Q Turning to page 3 of the application,
5 there's a reference in the middle of the page to
6 incorporation of the company on November 23, 1993 in
7 Boston, Massachusetts.

8 Do you see that?

9 A Uh-huh.

10 Q Do you know why the company was organized
11 in Boston, Massachusetts?

12 A No.

13 Q Turning to the next page, you're listed
14 as having an 18.5 percent interest in the company.

15 Do you know how that percentage was
16 arrived at?

17 A It was arrived at to ensure that
18 Mr. Gilbert and I would control the corporation.

19 Q And why was that important?

20 A Well, I think it's important to any
21 corporation that somebody is in control.

22 Q Why was it important that you and

1 Mr. Gilbert control the company?

2 A Because we have a lot of experience
3 working with each other.

4 Q Normally, control of a company requires
5 greater than 50 percent of the voting stock.

6 A We do.

7 Q Not according to this.

8 A Turn the page.

9 Q All right.

10 Well, what is the Robert L. Haag 1994
11 Family Limited Partnership?

12 A It's a family limited partnership.

13 Q And who are the partners in that
14 partnership?

15 A Myself and my children.

16 Q And do you vote the partnership interest?

17 A Yes.

18 Q So your collective interest is 41.6
19 percent?

20 A I guess that's right.

21 Q And do you know how that figure was
22 arrived at?

1 A A decision by Mr. Gilbert and myself.

2 Q And how were the other percentage figures
3 calculated or arrived at?

4 A I really don't remember.

5 Q How was it decided that Mr. Fickinger
6 would become a principal of Adams Communications?

7 A We've had a past experience with
8 Mr. Fickinger.

9 Q That was in Monroe Communications?

10 A That was Monroe.

11 Q And how was it decided that Mr. Steinfeld
12 would become an 8.7 percent stockholder in Adams?

13 A I don't remember how the percentage was
14 arrived at, but we've been involved in business
15 together for 40 years.

16 Q And how about Mr. Umans?

17 A The same thing is true with that.

18 Q Were both of them involved in Monroe
19 Communications?

20 A Yes.

21 Q And how about Mr. Leibovitz?

22 A Yeah.

1 Q Was he a party to the Monroe
2 Communications application?

3 A Yes, he had interest in Monroe
4 Communications.

5 Q And how about Mr. Hill, was he a party to
6 the Monroe Communications application?

7 A Yes.

8 Q How about Miss Woron?

9 A No, she wasn't.

10 Q And how did she come to be a principal of
11 Adams Communications?

12 A She was suggested as an outside investor.

13 Q By whom?

14 A Mr. Gilbert.

15 Q And why?

16 A I have no idea.

17 Q How about Mr. Podolsky, was he involved
18 in Monroe Communications?

19 A Yes.

20 Q Do you know if Mr. Gilbert suggested
21 percentages to you or did you suggest percentages to
22 him?

1 A I really don't remember how it came
2 about.

3 Q And how was it decided that you would be
4 president of the company?

5 A I'm putting up most of the money.

6 Q And how was it decided that Mr. Gilbert
7 would be vice-president and secretary?

8 A Because he was doing most of the work.

9 Q And what type of work was he doing?

10 A He was doing legal work and consulting
11 work.

12 Q And does every member of Adams
13 Communications contribute to expenses on a pro rata
14 basis?

15 A Yes.

16 Q And what motivated your decision to
17 become a president and substantial stockholder of a
18 company applying for the channel in Reading,
19 Pennsylvania?

20 A It was a business opportunity.

21 Q Do you recall providing a balance sheet
22 to anyone in connection with the application?

1 A I really don't remember.

2 Q Do you remember providing a written
3 commitment to advance funds to pay the company's
4 expenses?

5 A I don't remember that either.

6 Q The application was filed by Bechtel &
7 Cole. Do you know who selected Bechtel & Cole to
8 represent the company?

9 A Howie Gilbert.

10 Q And do you know why he picked them?

11 A Past experience.

12 Q What past experience?

13 A He's done business with them in the past.

14 Q And do you know what business he's done
15 with them in the past?

16 A I don't know all of Mr. Gilbert's
17 business.

18 Q Well, can you tell me what you know?

19 A They represented us at Adams
20 Communications -- I mean, at Monroe Communications.

21 Q Were you involved in negotiating the fee
22 arrangement with Bechtel & Cole?

1 A No.

2 Q Do you know what the fee arrangement is?

3 A I have an idea, but I'm not sure.

4 Q What's your idea?

5 MR. COLE: Objection. I think the Judge
6 has already said that the details of the fee
7 arrangement are not relevant. I don't know where
8 you're going with this.

9 MR. HUTTON: He has said they're relevant
10 to the extent he's allowing me to confirm that
11 what's been submitted is the arrangement.

12 MR. COLE: Okay. You may answer.

13 THE WITNESS: I'm confused.

14 BY MR. HUTTON:

15 Q Can you give me your best recollection of
16 what the fee arrangement is?

17 A That there would be a bonus for our
18 attorneys if we were successful.

19 Q And what do you mean by successful?

20 A That we won the license.

21 Q And how about if the case were settled?

22 A I have no knowledge of what that

1 arrangement might be.

2 Q The engineering portion of the
3 application indicates that it was prepared by Suffa
4 and Cavell, Inc. Were you involved in selecting the
5 consulting engineers?

6 A No.

7 Q Do you know who was?

8 A Howie Gilbert.

9 Q I'd like you to turn to Exhibit 3 to the
10 Adams application.

11 The second paragraph refers to an
12 estimated budget of 4.5 million dollars.

13 Were you involved in making that
14 calculation?

15 A No.

16 Q Did you ever see anything in writing with
17 respect to a budget?

18 A We've talked just generally about it. I
19 don't even remember what the conversation was at the
20 time.

21 Q To your knowledge, did Adams prepare a
22 written budget?

1 A I don't remember any.

2 Q The next paragraph refers to a loan
3 commitment from American National Bank and Trust
4 Company of Chicago in the amount of 5 million
5 dollars.

6 Do you recall receiving such a loan
7 commitment?

8 A I don't remember.

9 Q And the final sentence of that page
10 indicates that Adams' shareholders have committed to
11 contribute funds as necessary during the prosecution
12 of the application.

13 A That's true.

14 Q Was it in writing or was it orally?

15 A Orally.

16 Q I'd like you to refer to the Broadcast
17 Equal Employment Opportunity program in the
18 application. Page 2 of that program says that
19 you'll be responsible for the administration and
20 implementation of the station's equal employment
21 opportunity program; is that correct?

22 A Yeah.

1 Q And turning to section 4 of that program,
2 could you tell me how Adams selected those
3 organizations listed on that page?

4 A No.

5 Q Are you familiar with any of those
6 organizations?

7 A I've heard about them.

8 Q All of them?

9 A No, not all of them.

10 Q Which ones have you heard about?

11 A The NAACP. Kelly. The Reading Eagle.

12 (Haag Deposition Exhibit Number 5 was
13 marked for identification.)

14 BY MR. HUTTON:

15 Q Mr. Haag, this is an amendment to the
16 Adams Communications application.

17 Do you know what the purpose of the
18 amendment is?

19 A No.

20 Q In the chart listing the stock ownership
21 of the company, it appears that your shares of stock
22 have doubled while the percentage of votes has

1 remained largely the same; is that correct?

2 A I don't see where it's doubled.

3 Q Well, you'd have to compare it with the
4 original application.

5 A It's exactly the same.

6 I see what you mean.

7 Well, it's really the same.

8 Q Well, the original application indicated
9 that you had a 160 shares in your own name
10 representing 18.5 percent of the company. And the
11 Haag 1994 Family Limited Partnership had 200 shares
12 representing 23.1 percent of the company; correct?

13 A But I control both things so it's the
14 same amount of votes.

15 Q But the amendment lists 320 shares
16 instead of a 160 shares for you personally and 400
17 shares instead of 200 shares for the limited
18 partnership; correct?

19 A I don't know. I don't understand the
20 technicalities of it. The percentage of the shares
21 are the same.

22 Q The percentages are the same, but the

1 amount of stock you hold has doubled; correct?

2 A I really don't know, because all I worry
3 about is the percentage.

4 Q Have you ever received stock certificates
5 for the company?

6 A I don't remember.

7 Q Do you know if the company issued stock
8 certificates?

9 A I don't remember.

10 Q Do you recall any discussion about
11 doubling the amount of stock that you hold?

12 A I don't remember.

13 Q Does the company hold an annual corporate
14 meeting?

15 A I assume we do.

16 Q Have you presided in any such meeting?

17 A We've had telephone conversations.

18 Q When you say we, who do you mean?

19 A Howie Gilbert and myself and the other
20 stockholders.

21 Q Have any minutes been taken of those
22 meetings?

1 A I have no knowledge.

2 Q Have you taken any notes of those
3 meetings?

4 A No.

5 Q Let's go back to Monroe Communications.
6 Tell me about the circumstances that led
7 to the decision to form Monroe Communications?

8 A Channel 44 was on subscription
9 television. At that time, the Chicago area only had
10 a few television stations. And I thought that it
11 was wrong that the public be forced to pay for
12 regular over the air television that should have
13 been free to them for watching. And that was the
14 time we decided to form Monroe Communications.

15 Q And Monroe was formed to file a competing
16 application against the license renewal of the
17 existing pay television station?

18 A Yes.

19 Q And do you know what channel that was in
20 Chicago?

21 A Channel 44.

22 Q And I take it the principals of Monroe

1 Communications were yourself, Mr. Gilbert,
2 Mr. Fickinger, Mr. Steinfeld, Mr. Umans,
3 Mr. Leibovitz, Mr. Hill --

4 Do you recall anyone else?

5 A Yeah. There was --

6 Q And Mr. Podolsky?

7 A No, there was one more person. I forget
8 his name. It was a hispanic gentleman.

9 Q Do you know if any of those principals
10 were proposed to work at the station either on a
11 part-time or full-time basis?

12 A Yeah. We had discussed that with
13 Mr. Hill.

14 Q And had Mr. Hill agreed that he would
15 work at the station?

16 A We hadn't gotten the station yet. We
17 just talked about it generally.

18 Q But in the Monroe application, was there
19 any indication that Mr. Hill would work at the
20 station?

21 A I don't remember.

22 Q And how about the hispanic fellow, was